

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL NOTE**

SB 3027 - HB 3263

March 12, 2012

SUMMARY OF BILL: Defines “purchaser” relative to the beef industry. Changes the date by which purchasers must submit the amount of funds withheld from producers, from within 10 days after the end of the month, to a date established by the Commissioner of the Department of Agriculture (TDOA). Prohibits, for each head of cattle purchased, the levying of an assessment on someone whose only share in the proceeds of a sale is a sales commission or fee, and who has delivered the cattle to facilitate transfer of ownership. Requires the purchaser to resell the cattle within 10 days of acquiring ownership, and to certify such to TDOA. Requires the Commodity Promotion Board to file an annual report on the date specified by the Commissioner, rather than each January. Increases, from nine to twelve, the number of members on the Tennessee Beef Promotion Board. Renames the Tennessee Beef Industry Council as the Tennessee Beef Promotion Board (Board).

ESTIMATED FISCAL IMPACT:

On February 11, 2012, a fiscal note was issued estimating a fiscal impact as follows:

Increase State Expenditures - \$3,300/Beef Promotion Fund

Due to a miscalculation, this impact was in error. Based on additional review, the estimated impact is:

(CORRECTED)

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. § 43-29-102(b), the Beef Promotion Board is an independent promotion board, funded through assessments paid by private-party members.
- Assessments are remitted to the Department of Agriculture (TDOA). Pursuant to Tenn. Code. Ann. § 43-29-109, the Department is authorized to retain up to five percent of the assessment to cover TDOA collection expenses.

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- TDOA holds any remaining assessment funds in escrow for 90 days, at which time the funds are remitted to the Board. This bill will not affect the policies or procedures of TDOA.
- Any increase in expenditures for the costs associated with additional Board members will be paid by the private-party members through increased assessments.
- Therefore, the fiscal impact to state government is not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

/sbh